

Roblon's full-year guidance for 2019/20 maintained

Interim report – Q3 2019/20 (the period 1 November 2019 – 31 July 2020)

Roblon

Roblon A/S
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DK-9900 Frederikshavn
CVR no. 57 06 85 15

The Board of Directors of Roblon A/S has today considered and approved the interim report for Q3 2019/20

Highlights of the interim report of the Roblon Group:

- Order intake of DKKm 196.7 (DKKm 204.2). The order intake grew in the FOC product group, while it declined in the Composite product group.
- The order book at 31 July 2020 stood at DKKm 28.2 (DKKm 83.1), and the decline was primarily related to the Composite product group.
- As expected, the Group's revenue was adversely impacted by COVID-19 in the third quarter of 2019/20. Revenue amounted to DKKm 204.8 (DKKm 173.0).
- The gross margin increased to 54.5% (41.0%), mainly as a result of an improved product mix and due to the fact that the year-earlier period was adversely affected by loss of productivity and inventory write-downs on Servion-related activities.
- Settlement received from Servion in the amount of DKKm 45.3 was recognised in other operating income.
- Operating profit (EBIT) ex the DKKm 45 net settlement from Servion amounted to DKKm 2.2 (operating loss of DKKm 15.4), which was in line with the most recent profit guidance.
- Profit before tax, ex. settlement from Servion, amounted to DKKm 1.9 (a loss of DKKm 12.3).
- A loss before tax from discontinued operations of DKKm 3.0 related to a provision for loss on seller financing made in connection with the sale of discontinued operations in 2017.
- Profit after tax for the period – including settlement from Servion – amounted to DKKm 33.4 (a loss of DKKm 29.1).
- At 31 July 2020, Roblon's equity stood at DKKm 247.2 (DKKm 201.7).

The Group's profit before tax excluding Servion was DKKm 1.9, adversely affected by COVID-19, which caused sales orders to be postponed, leading to reduced revenue. Moreover, Roblon's earnings in the FOC product group were not satisfactory. Activities are underway that are expected to

lift earnings within a short period of time. Due to the COVID-19 situation, the full anticipated effects of these productivity-enhancing measures have not been achieved in the current financial year, although a positive development was seen in the past quarter.

Guidance for full year 2019/20

Management assesses that the fourth quarter of 2019/20 will also be adversely impacted by COVID-19 developments in North and South America, two important markets for Roblon.

In August 2020, Management submitted an application for forgiveness of a COVID-19 loan taken out in the United States. Preliminary indications from the lender are that the Company meets the loan forgiveness criteria. Accordingly, the Company expects loan forgiveness of around DKKm 4.7, which amount has been factored into the profit guidance for 2019/20.

At the end of Q3 2019/20, Management maintains its full-year guidance for 2019/20. Management thus guides revenue in the range of DKKm 250-270 (2018/19: DKKm 267.2, ex. Servion DKKm 241.8) and a profit before tax in the range of DKKm 0-5, DKKm 45-50 including Servion (2018/19: a loss of DKKm 19.7, ex. Servion a profit of DKKm 4.4). The guided profit before tax includes forgiveness of debt of DKKm 4.7 in the US. Accordingly, due to the adverse operational impact of COVID-19, the underlying profit before tax is expected to be DKKm 0-5 million lower than previously guided in the interim financial statements for H1 2019/20.

Sale of head office

Roblon has initiated the prospective sale of the Group's head office in Frederikshavn. Roblon signed an agreement with an external commercial real estate agent to explore the possibilities of selling the head office, which is listed at a cash price of DKKm 32.5.

After the sale, the Group's Danish activities will all be located at Roblon's facilities in Gærum, which currently house production and various administrative functions. Investments will have to be made in the Gærum facilities. However, as well as generating positive synergies in the day-

to-day operations, this initiative is expected to have a positive impact on Roblon's future results, liquidity and equity. The potential sale of Roblon's existing head office in Frederikshavn has not been factored into the profit guidance for 2019/20.

Frederikshavn, 17 September 2020

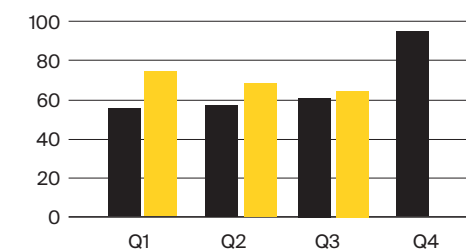
Roblon A/S

Jørgen Kjær Jacobsen
Chairman of the Board

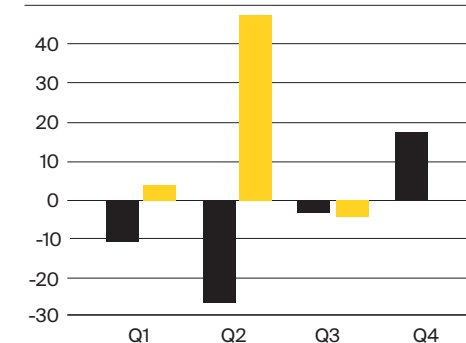
Lars Østergaard
Managing Director and CEO

Enquiries regarding this announcement should be addressed to:
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Quarterly revenue (DKKm)



Quarterly EBIT (DKKm)



■ 2018/19 ■ 2019/20

Financial highlights

for the Roblon Group

		Q3 2019/20 ¹	Q3 2018/19 ¹	Q1-Q3 2019/20 ¹	Q1-Q3 2018/19 ¹	FY 2018/19 ¹
	Unit					
Orders						
Order intake	DKKm	41.4	72.3	196.7	204.2	250.8
Order book	DKKm	28.2	83.1	28.2	83.1	35.8
Income statement						
Revenue	DKKm	62.8	60.8	204.8	173.0	267.2
Gross profit	DKKm	32.0	29.5	111.6	71.0	122.6
Operating profit/loss (EBIT)	DKKm	-4.0	-3.1	47.2	-40.1	-22.4
Net financial items	DKKm	-0.2	0.8	-0.6	2.8	2.8
Profit/loss before tax from continuing operations	DKKm	-4.2	-2.3	46.6	-37.3	-19.7
Profit/loss for the period from continuing operations	DKKm	-3.2	-1.8	35.7	-29.1	-14.6
Profit/loss for the period from discontinued operations	DKKm	-	-	-2.3	-	-
Profit/loss for the period	DKKm	-3.2	-1.8	33.4	-29.1	-14.6
Balance sheet						
Cash and securities	DKKm	89.6	60.7	89.6	60.7	54.1
Assets	DKKm	301.7	238.1	301.7	238.1	271.6
Working capital	DKKm	75.3	61.5	75.3	61.5	87.2
Invested capital	DKKm	162.8	133.1	162.8	133.1	160.3
Equity	DKKm	247.2	201.7	247.2	201.7	216.0
Cash flows						
Cash flow from operating activities	DKKm	55.8	-3.6	65.3	-28.5	-35.8
Cash flow from investing activities	DKKm	-46.8	5.4	-46.2	33.2	38.3
Of which investment in marketable securities	DKKm	-39.9	8.0	-25.0	50.0	61.1
Of which investment in property plant and equipment	DKKm	-6.3	-2.3	-18.1	-10.4	-14.2
Cash flow from financing activities	DKKm	-0.5	-	-8.0	-17.9	-11.2
Depreciation, amortisation and impairment, total	DKKm	-4.9	-3.1	-13.4	-17.5	-20.8
Cash flow for the period	DKKm	8.5	1.8	11.1	-13.2	8.5

		Q3 2019/20 ¹	Q3 2018/19 ¹	Q1-Q3 2019/20 ¹	Q1-Q3 2018/19 ¹	FY 2018/19 ¹
	Unit					
Ratios						
Book-to-bill ratio	%	65.9	118.9	96.0	118.0	93.9
Revenue growth	%	3.3	25.6	18.4	10.3	20.5
Gross margin	%	51.0	48.5	54.5	41.0	45.9
EBIT margin	%	-6.4	-5.1	23.0	-23.2	-8.4
EBIT margin (ex. Servion)	%	-6.4	-3.0	1.1	-10.4	0.6
ROIC/return on average invested capital ²	%	-9.9	-9.4	39.1	-40.5	-15.4
ROIC/return on average invested capital ² (ex. Servion)	%	-9.9	-4.6	1.8	-15.6	1.0
Equity ratio	%	81.9	84.7	81.9	84.7	79.5
Return on equity ²	%	-5.1	-3.2	19.1	-17.1	-6.3
Return on equity ² (ex. Servion)	%	-5.5	-8.5	1.1	-6.9	0.9
Working capital, % of revenue	%	119.9	101.2	36.8	35.5	32.6
Employment³						
Average no. of full-time employees	No.	177	155	177	142	171
Gross profit per full-time employee	DKKm	0.2	0.2	0.6	0.5	0.7
Per share ratios						
Earnings per DKK 20 share (EPS) ²	DKK	-1.8	-1.0	18.7	-16.3	-8.2
Price/earnings ratio (PE)	DKK	-99.7	-181.0	9.6	-11.1	-19.7
Cash flow from operations per DKK 20 share	DKK	31.2	-2.0	36.5	-15.9	-19.9
Book value of shares ²	DKK	138.2	112.8	141.8	112.8	121.0
Market price per share	DKK	178.5	181.0	178.5	181.0	161.0
Price/book value		1.3	1.6	1.3	1.6	1.3

¹ The interim report has not been audited or reviewed by the Company's auditors.

² The ratio is calculated on a full-year basis.

The ratios are defined in note 37 to the 2018/19 annual report, Financial ratio definitions and formulas.

Management's review

Matters of note

On 30 April 2020, the Company released a company announcement stating that Roblon and Senvion had entered into a settlement agreement, under which the Group would receive USDm 6.6 (approx. DKKm 45).

The announcement also stated that the project contract between the parties was terminated with immediate effect, and no further claims thus exist between the parties.

In Q3 2019/20, Roblon received the settlement amount as expected. The Group's profit before tax was positively affected by the settlement amount, which was recognised at DKKm 45.3 in H1 2019/20.

The performance for the first three quarters of 2019/20 was positively affected by the settlement, and the Group realised revenue in the amount of DKKm 204.8 (DKKm 173.0) and a profit before tax of DKKm 46.6 (a loss of DKKm 37.3). The Group's profit for Q1-Q3 2019/20 calculated excluding Senvion showed revenue of DKKm 204.8 (DKKm 147.6). Profit before tax ex. Senvion was DKKm 1.9 (a loss of DKKm 12.3).

In the period from the signing of the project contract with Senvion in 2017/18 up to and including the realisation of the settlement agreement in April 2020, the Group realised a profit before tax of approx. DKKm 19 from the Senvion project contract.

2021 Strategy

Roblon is now more than half way through the

five-year strategy period launched in 2016. Former business entities have been divested and a new business acquired in the key business area. We have thus developed and focused our core business on delivering high-performance fibre solutions and technologies to customers who demand the highest quality, durability and safety standards. The Group develops, manufactures and markets two product groups:

- FOC (comprising cable materials and cable machinery for the fibre optic cable industry)
- Composite (comprising composite materials for onshore and offshore industries)

Our ongoing sales and development efforts during the strategy period have strengthened the business. The following should be emphasised:

- Strong exposure in Telecommunications (cable materials to fibre optic cable manufacturers), Energy and Submarine Energy Transmission (for example energy cables) – both of these industries are expected to enjoy considerable global growth in the coming years.
- Establishment of production and sales facilities in close proximity to key customers in the USA, facilitating optimal servicing of these. Similar measures have been planned and are being executed in Europe.
- Launch of new products using ground-breaking sustainable production processes with reduced energy consumption and sustainable fibre products replacing traditional steel reinforcement.

All areas of Roblon's business have been, and are expected to continue to be, affected by COVID-19. Despite this, the Group has established a strong foundation for future growth, and Management believes that we have created a solid platform with our strategic customers.

Consolidated income statement

Order intake

The Group's order intake amounted to DKKm 196.7 in Q1-Q3 2019/20 (DKKm 204.2). The DKKm 7.5 (3.7%) decline covered a DKKm 4.2 (2.0%) improvement in the FOC product group and a DKKm 11.7 (5.7%) decline in the Composite product group.

Revenue

For Q1-Q3 2019/20, Roblon realised revenue of DKKm 204.8 (DKKm 173.0). The DKKm 31.8 (18.3%) improvement was distributed with DKKm 16.8 (9.7%) in the FOC product group and DKKm 15.0 (8.7%) in the Composite product group.

In the first half of the financial year, the effects of COVID-19 on the Group were limited but, as expected, a negative impact was seen in Q3. The pandemic is expected to continue to have a negative impact on the Company's market conditions in Q4 2019/20.

The USD/DKK exchange rate development had a positive impact of DKKm 2.4 on reported revenue for Q1-Q3 2019/20.

Gross profit and gross margin

The Group's gross profit amounted to DKKm 111.6 (DKKm 71.0). The gross margin for Q1-Q3 2019/20

was 54.5% (41.0%). The improvement in Q1-Q3 relative to the year-earlier period was mainly explained by an improved product mix and by the fact that last year was adversely affected by a loss of productivity and a DKKm 8.5 inventory write-down on Senvion-related activities.

Other external costs

Other external costs were down DKKm 1.9 to DKKm 32.4 (DKKm 34.3) on the year-earlier period. The reduction was attributable to the elimination of costs relating to an external service partner in the USA in 2018/19 and reduced travel and trade show activity in Q1-Q3 2019/20.

All previous agreements with an external service partner on operating and production assistance in the USA were cancelled at the beginning of the 2019/20 financial year, at which time Roblon US entered into an agreement to expand its lease to support the growth plans. The subsidiary now has the disposal of the entire 13,000 sqm. building in Granite Falls, Hickory, North Carolina, USA.

Staff costs

Staff costs amounted to DKKm 66.5 (DKKm 63.5), and the DKKm 3.0 increase was primarily due to recruitment of production staff. Effective as of 6 November 2019, the Group took over an additional 16 employees at the US factory.

Roblon incurred approx. DKKm 1 in extra costs related to COVID-19 in Q1-Q3 2019/20. The costs were due to an increase in absence during the lockdown in Denmark and the USA and stricter controls to prevent employees displaying symptoms of the virus from coming to work. The Group has not used any of the subsidy

schemes for companies affected by COVID-19 in Denmark.

Depreciation, amortisation and impairment

The Group's depreciation, amortisation and impairment amounted to DKKm 13.4 (DKKm 17.5). The lower year-on-year figure was explained by a DKKm 8.5 write-down of intangible assets related to Servion in 2018/19. Adjusted for the Servion-related write-down, depreciation and amortisation increased by DKKm 4.5. This was due to the implementation of IFRS 16, which resulted in a DKKm 1.7 increase in depreciation of right-of-use assets as well as depreciation related to increased investments.

Operating profit/loss (EBIT)

Operating profit (EBIT) excluding Servion for Q1-Q3 2019/20 was DKKm 2.2 (an operating loss of DKKm 15.4). Including the Servion settlement, EBIT was DKKm 47.2 (an operating loss of DKKm 40.1).

Net financial items

The Group's net financial items for Q1-Q3 was a

net expense of DKKm 0.6 (net income of DKKm 2.8). The DKKm 3.4 decline was due to an adverse development in returns on securities and a negative foreign exchange adjustment on loans to the US subsidiary.

Profit/loss before tax

Profit before tax for Q1-Q3 2019/20 amounted to DKKm 46.6 (a loss of DKKm 37.3), of which the Servion settlement amounted to DKKm 44.7. The table below illustrates EBIT and profit before tax on Servion-related activities, including adjustment for legal and financing costs.

The Group's profit before tax excluding Servion was DKKm 1.9, adversely affected by COVID-19, which caused sales orders to be postponed, leading to reduced revenue. Furthermore, Roblon's earnings in the FOC product group were not satisfactory, and plans are under way to lift earnings. Due to the COVID-19 situation, these productivity-enhancing measures have not been implemented as expected, although a positive development was seen in the past six

months. The planned measures are expected to be fully implemented in the coming 6-12 months, depending on COVID-19 developments.

Profit/loss from discontinued operations

Roblon realised a loss from discontinued operations after tax of DKKm 2.3 (DKKm 0) relating to a provision for loss on seller financing made in 2017 in connection with the sale of discontinued operations.

Profit/loss after tax

Profit after tax was DKKm 33.4 (a loss of DKKm 29.1). Tax is calculated at a rate of 22% of profit for the year before tax for the parent company and at a rate of 24% for the US subsidiary.

Excluding the Servion settlement, the USD/DKK exchange rate development adversely affected consolidated profit after tax for Q1-Q3 2019/20 by DKKm 0.8.

Consolidated balance sheet

The Group's total assets at 31 July 2020 amounted to DKKm 301.7 (DKKm 238.1). IFRS 16 was implemented at the beginning of 2019/20 using the modified retrospective method without restatement of comparative figures. The recognition of right-of-use assets and lease liabilities at the beginning of the 2019/20 financial year increased total assets by DKKm 14.7. Total investment in intangible assets amounted to DKKm 3.1 for Q1-Q3 2019/20 (DKKm 6.4). Investments in property, plant and equipment increased to DKKm 18.4 (DKKm 10.4) in Q1-Q3 2019/20.

The investment in Roblon US was tested for impairment, which did not give rise to any write-down.

Inventories amounted to DKKm 68.0 (DKKm 43.7) at 31 July 2020. The increase was mainly attributable to larger inventories of critical raw materials. The overall inventory level is expected to be reduced during the course of 2020, and the Group has launched initiatives to support this development.

The Group's equity at 31 July 2020 amounted to DKKm 247.2 (DKKm 201.7). Equity was consolidated during the first three quarters as a result of the Servion settlement amount which was received at the beginning of May 2020. The equity ratio at 31 July 2020 was 81.9% (84.7%). The recognition of right-of-use assets in the balance sheet in accordance with IFRS 16 reduced the equity ratio at 31 July 2020 by 3.7 percentage points.

At the beginning of May 2020, the Group obtained a loan from one of the COVID-19 aid packages provided by the US government to support businesses in the USA. The loan, amounting to approx. DKKm 4.7, will be classified as a forgivable loan, subject to certain criteria being met. One of these criteria is that the number of employees must be maintained. Whether the loan is eligible for forgiveness is expected to be determined before the end of the financial year.

Consolidated cash flows

The Group's net cash flow from operating activities in Q1-Q3 2019/20 was an inflow of

Results, Roblon Group (continuing operations) ex. Servion

DKKm	Roblon Group		Servion share		Results ex. Servion	
	Q1-Q3 2019/20	Q1-Q3 2018/19	Q1-Q3 2019/20	Q1-Q3 2018/19	Q1-Q3 2019/20	Q1-Q3 2018/19
Revenue	204.8	173.0	-	25.4	204.8	147.6
EBITDA	60.6	-22.6	45.0	-15.2	15.6	-7.4
EBIT	47.2	-40.1	45.0	-24.7	2.2	-15.4
Profit/loss before tax	46.6	-37.3	44.7	-25.0	1.9	-12.3

DKKk 65.3 (an outflow of DKKk 28.5), positively impacted by the receipt of the DKKk 45.3 settlement from Servion. Net cash flow from investing activities was an outflow of DKKk 46.2 (an inflow of DKKk 33.2), attributable to investment in plant as well as placement of cash in securities.

Net cash flow from financing activities was an outflow of DKKk 8.0 (an outflow of DKKk 17.9).

Capital resources

At 31 July 2020, marketable securities and net cash amounted to DKKk 89.6 (DKKk 62.4). In addition to this, Roblon has an undrawn credit facility of DKKk 10.0 with the Group's bankers.

Outlook for 2019/20

Management assesses that the fourth quarter of 2019/20 will also be adversely impacted by COVID-19 developments in North and South America, two important markets for Roblon.

In August 2020, Management submitted an application for forgiveness of a COVID-19 loan taken out in the United States. Preliminary indications from the lender are that the Company meets the loan forgiveness criteria. Accordingly, the Company expects loan forgiveness of around DKKk 4.7, which amount has been factored into the profit guidance for 2019/20. At the end of Q3 2019/20, Management maintains its full-year guidance for 2019/20. Management thus guides revenue in the range of DKKk 250-270 (2018/19: DKKk 267.2, ex. Servion DKKk 241.8) and a profit before tax in the range of DKKk 0-5, DKKk 45-50 including Servion

(2018/19: a loss of DKKk 19.7, ex. Servion a profit of DKKk 4.4). The guided profit before tax includes forgiveness of debt of DKKk 4.7 in the US. Accordingly, due to the adverse operational impact of COVID-19, the underlying profit before tax is expected to be DKKk 0-5 million lower than previously guided in the interim financial statements for H1 2019/20.

Sale of head office

Roblon has initiated the prospective sale of the Group's head office in Frederikshavn. Roblon signed an agreement with an external commercial real estate agent to explore the possibilities of selling the head office, which is listed at a cash price of DKKk 32.5.

After the sale, the Group's Danish activities will all be located at Roblon's facilities in Gærum, which currently house production and various administrative functions. Investments will have to be made in the Gærum facilities. However, as well as generating positive synergies in the day-to-day operations, this initiative is expected to have a positive impact on Roblon's future results, liquidity and equity. The potential sale of Roblon's existing head office in Frederikshavn has not been factored into the profit guidance for 2019/20.

Forward-looking statements

The above forward-looking statements, in particular revenue and earnings projections, are inherently uncertain and subject to risk. Many factors are beyond Roblon's control and, consequently, actual results may differ significantly from the projections expressed in this interim

report. Such factors include, but are not limited to, changes in market and competitive situation, changes in demand and purchasing behaviour, foreign exchange and interest rate fluctuations and general economic, political and commercial conditions.

Roblon's sales are characterised by a structure based on project sales. This makes it difficult at any given time to forecast future revenue for a specific period, i.e. three-month, six-month or 12-month periods.

Financial calendar

22/12 2020:	Preliminary statement 2019/20
28/1 2021:	Annual general meeting

Announcements – NASDAQ Copenhagen

During the period 1 November 2019 to 17 September 2020, the Company sent the following announcements to NASDAQ Copenhagen; these can be found on the Company's website, www.roblon.com.

No. 11/2019:	Preliminary Statement 2018/19
No. 12/2019:	Notice convening AGM
No. 13/2019:	Leading employees' transactions
No. 14/2019:	Leading employees' transactions
No. 15/2019:	Leading employees' transactions
No. 1/2020:	Leading employees' transactions
No. 2/2020:	Decisions of the Annual General Meeting
No. 3/2020:	Interim report for Q1 2019/20
No. 4/2020:	Conditional settlement agreement with Servion
No. 5/2020:	Conditional settlement agreement with Servion realised
No. 6/2020:	Interim report for H1 2019/20
No. 7/2020:	Leading employees' transactions
No. 8/2020:	Major Shareholder Announcement

Statement by the Management

The Board of Directors and Executive Management have today considered and approved the interim report of Roblon A/S for Q3 2019/20 (the period 1 November 2019 to 31 July 2020).

The interim report, which has not been audited or reviewed by the Company's auditor, is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional requirements under the Danish Financial Statements Act.

It is our opinion that the interim financial statements provide a true and fair view of the Group's assets, liabilities and financial position as of 31 July 2020 as well as of the results of the Group's activities and cash flows for the period 1 November 2019 to 31 July 2020.

Furthermore, in our opinion the management's review includes a fair review of the development and performance of the Group's business, results for the period and the Group's financial position together with a description of the principal risks and uncertainties that the Group faces.

Frederikshavn, 17 September 2020

Executive Management

Lars Østergaard
Managing Director and CEO

Carsten Michno
Chief Financial Officer (CFO)

Kim Müller
Chief Technology Officer (CTO)

Board of Directors

Jørgen Kjær Jacobsen
Chairman

Ole Lønsmann Andersen
Deputy Chairman

Peter Sloth Vagner Karlsen

Randi Toftlund Pedersen

Nita Svendsen
Employee representative

Flemming Nielsen
Employee representative

Consolidated income statement

for the period 1 November 2019 to 31 July 2020

DKKm	Note	Q3 2019/20	Q3 2018/19	Q1-Q3 2019/20	Q1-Q3 2018/19	FY 2018/19
Revenue	4	62.8	60.8	204.8	173.0	267.2
Cost of sales		-30.8	-31.3	-93.2	-102.0	-144.6
Gross profit		32.0	29.5	111.6	71.0	122.6
Work carried out for own account and capitalised		0.4	0.2	1.7	2.8	4.1
Other operating income		0.1	0.2	46.2	1.4	1.5
Other external costs		-9.8	-8.1	-32.4	-34.3	-42.8
Staff costs		-21.8	-21.8	-66.5	-63.5	-87.0
Depreciation, amortisation and impairment		-4.9	-3.1	-13.4	-17.5	-20.8
Operating profit/loss (EBIT)		-4.0	-3.1	47.2	-40.1	-22.4
Net financial items		-0.2	0.8	-0.6	2.8	2.8
Profit/loss before tax (PBT)		-4.2	-2.3	46.6	-37.3	-19.6
Tax on profit/loss for the period		1.0	0.5	-10.9	8.2	5.0
Profit/loss for the period from continuing operations		-3.2	-1.8	35.7	-29.1	-14.6
Profit/loss for the period from discontinued operations	5	-	-	-2.3	-	-
Profit/loss for the period		-3.2	-1.8	33.4	-29.1	-14.6
Earnings per share (DKK)						
Earnings per share (EPS), continuing operations		-1.8	-1.0	18.7	-16.3	-8.2
Earnings per share, diluted (EPS-D), continuing operations		-1.8	-1.0	18.7	-16.3	-8.2

Consolidated statement of comprehensive income

for the period 1 November 2019 to 31 July 2020

DKKm	Note	Q3 2019/20	Q3 2018/19	Q1-Q3 2019/20	Q1-Q3 2018/19	FY 2018/19
Profit/loss for the period		-3.2	-1.8	33.4	-29.1	-14.6
<i>Items that may be recycled to profit or loss:</i>						
Fair value adjustment of available-for-sale financial assets		-	0.1	-	0.4	-
Foreign exchange adjustment of foreign subsidiaries		-2.2	-0.1	-2.2	-	0.1
Tax on other comprehensive income		-	-	-	-0.1	-
Comprehensive income		-5.4	-1.8	31.2	-28.8	-14.5

Balance sheet

at 31/07/2020

DKKkm	Note	31/07/2020	31/07/2019	31/10/2019
ASSETS				
Completed development projects		0.5	0.5	0.9
Development projects in progress		9.1	5.7	7.3
Trademarks, licenses and customer relations		6.2	7.6	7.4
Other intangible assets		8.3	9.7	9.1
Intangible assets		24.1	23.5	24.7
Land and buildings		20.3	21.4	21.2
Plant and machinery		26.1	21.9	25.8
Other fixtures and fittings, tools and equipment		1.4	1.2	1.3
Right-of-use assets		12.6	-	-
Property, plant and equipment in progress		13.4	6.9	4.5
Property, plant and equipment		73.8	51.4	52.8
Non-current receivable regarding sale of discontinued operation		-	2.5	2.4
Deferred tax assets		1.0	-	8.9
Financial assets		1.0	2.5	11.3
Total non-current assets		98.9	77.4	88.8
Inventories		68.0	43.7	55.8
Trade receivables		43.8	43.2	69.4
Current receivable regarding sale of discontinued operation		-	-	0.7
Corporation tax receivable		-	9.3	-
Other receivables		1.4	2.1	2.8
Securities		75.9	62.4	51.1
Cash and cash equivalents		13.7	-	3.0
Total current assets		202.8	160.7	182.8
TOTAL ASSETS		301.7	238.1	271.6

DKKkm	Note	31/07/2020	31/07/2019	31/10/2019
EQUITY AND LIABILITIES				
Share capital		35.8	35.8	35.8
Other reserves		-3.7	-1.4	-1.5
Retained earnings		215.1	167.3	181.7
Equity		247.2	201.7	216.0
Deferred tax		5.8	4.7	5.9
Lease liabilities		10.4	-	-
Total non-current liabilities		16.2	4.7	5.9
Operating credit		-	1.7	6.7
Other provisions		0.2	0.4	0.1
Short-term lease liabilities		2.4	-	-
Advance payments from customers		0.4	1.3	2.8
Trade payables		15.3	21.2	28.7
Income tax		0.4	-	1.5
Other payables		19.6	7.1	9.9
Total current liabilities		38.3	31.7	49.7
Total liabilities		54.5	36.4	55.6
TOTAL EQUITY AND LIABILITIES		301.7	238.1	271.6

Consolidated statement of changes in equity

DKK M	Share capital	Currency translation reserve	Reserve for available-for-sale financial assets	Retained earnings	Proposed dividends	Total equity
Q3 2019/20						
Equity at 01/11/2019	35.8	-1.5	-	181.7	-	216.0
Comprehensive income for the period						
Profit/loss for the period	-	-	-	33.4	-	33.4
Other comprehensive income	-	-2.2	-	-	-	-2.2
Total comprehensive income for the period	-	-2.2	-	33.4	-	31.2
Equity at 31/07/2020	35.8	-3.7	-	215.1	-	247.2
Q3 2018/19						
Equity at 1 November 2018	35.8	-1.6	-0.1	196.4	17.9	248.4
Comprehensive income for the period						
Profit/loss for the period	-	-	-	-29.1	-	-29.1
Other comprehensive income	-	-	0.3	-	-	0.3
Total comprehensive income for the period	-	-	0.3	-29.1	-	-28.8
Transactions with owners						
Dividends paid	-	-	-	-	-17.9	-17.9
Equity at 31/07/2019	35.8	-1.6	0.2	167.3	-	201.7

DKK M	Share capital	Currency translation reserve	Reserve for available-for-sale financial assets	Retained earnings	Proposed dividends	Total equity
2018/19						
Equity at 1 November 2018	35.8	-1.6	-	196.3	17.9	248.4
Comprehensive income for the period						
Profit/loss for the period	-	-	-	-14.6	-	-14.6
Other comprehensive income	-	0.1	-	-	-	0.1
Total comprehensive income for the period	-	0.1	-	-14.6	-	-14.5
Transactions with owners						
Dividends paid	-	-	-	-	-17.9	-17.9
Equity at 31/10/2019	35.8	-1.5	-	181.7	-	216.0

Statement of cash flows

for the period 1 November 2019 – 31 July 2020

DKKkm	Spec.	Q3 2019/20	Q3 2018/19	Q1-Q3 2019/20	Q1-Q3 2018/19	FY 2018/19
Operating profit/loss (EBIT) from continuing operations		-4.0	-3.1	47.4	-40.1	-22.4
Operating profit/loss (EBIT) from discontinued operations		-	-	-3.0	-	-
Operating profit/loss (EBIT)		-4.0	-3.1	44.4	-40.1	-22.4
Adjustment for non-cash items	A	4.9	1.1	12.5	25.4	20.2
Change in working capital	B	56.1	-1.9	11.9	-13.9	-33.4
Cash generated from operations		57.0	-3.9	68.8	-28.6	-35.6
Financial income received		0.8	0.4	2.8	1.8	1.7
Financial expenses paid		-1.9	-0.1	-2.8	-0.2	-0.1
Income tax paid		-0.2	-	-3.5	-1.5	-3.5
Income tax received		0.1	-	0.1	-	1.9
Cash flow from operating activities		55.8	-3.6	65.3	-28.5	-35.6
Purchase of intangible assets		-0.6	-0.3	-3.1	-6.4	-8.6
Purchase of property, plant and equipment		-6.3	-2.3	-18.4	-10.4	-14.2
Sale of property, plant and equipment		-	-	0.3	-	-
Purchase of securities		-40.0	-0.5	-14.3	-3.9	-3.9
Sale of securities		0.1	8.5	16.3	53.9	65.0
Cash flow from investing activities		-46.8	5.4	-46.2	33.2	38.3
Operating credits used		-	-	-6.7	-	6.7
Repayment of lease liability		-0.5	-	-1.3	-	-
Dividends paid		-	-	-	-17.9	-17.9
Cash flow from financing activities		-0.5	-	-8.0	-17.9	-11.2
Change in cash and cash equivalents		8.5	1.8	11.1	-13.2	-8.5
Cash and cash equivalents at beginning of period		5.6	-3.5	3.0	11.5	11.5
Value adjustment of cash and cash equivalents		-0.4	-	-0.4	-	-
Cash and cash equivalents at end of period		13.7	-1.7	13.7	-1.7	3.0

DKKkm	Q3 2019/20	Q3 2018/19	Q1-Q3 2019/20	Q1-Q3 2018/19	FY 2018/19
Spec. A: Adjustments for non-cash items					
Depreciation and amortisation	4.9	3.1	13.3	17.4	20.8
Provisions	0.1	-0.1	-	-	-0.3
Foreign exchange adjustment	-0.1	-0.2	-0.8	-0.4	-0.3
Transfers regarding write-off of inventories and receivables relating to Servion	-	-1.7	-	8.4	-
	4.9	1.1	12.5	25.4	20.2
Spec. B: Change in working capital					
Change in inventories	3.2	-5.7	-12.1	-2.3	-14.4
Change in receivables	57.5	-1.0	30.0	4.1	-23.5
Change in current liabilities	-4.6	3.1	-6.0	-7.3	4.5
Transfers to adjustments for non-cash items regarding write-off of inventories and receivables relating to Servion	-	1.7	-	-8.4	-
	56.1	-1.9	11.9	-13.9	-33.4

Notes to the financial statements

1. Accounting policies
2. Estimates
3. Seasonality
4. Segment information
5. Discontinued operations

Note 1 – Accounting policies

The interim report is presented in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and Danish disclosure requirements for listed companies. No interim report has been prepared for the parent company.

The accounting policies have been changed following the implementation of IFRS 16. As described in note 1 to the financial statements in Annual Report 2018/19, Roblon implemented IFRS 16 Leases during the financial year 2019/20. Under the standard, all leases, regardless of type – with a few exceptions – must be recognised in the lessee’s balance sheet as a right-of-use asset with a corresponding lease liability. The lessee recognises depreciation of the right-of-use asset over the lease term and accrual of interest on the lease liability in the income statement.

On implementation, Roblon applied the modified retrospective method without restatement of comparative figures.

In December 2019, the subsidiary, Roblon US Ltd., entered into a lease for additional production facilities. With the implementation of IFRS 16, this expansion was recognised in the balance sheet at DKKm 14.7, against the DKKm 3.4 stated in the annual report, which was based on existing leases in force at 31 October 2019.

The implementation reduced the profit for Q1-Q3 2019/20 by DKKm 0.1. Assets and liabilities increased by DKKm 14.7 at the beginning of the

2019/20 financial year.

Except for the changes set out above, the accounting policies applied in the interim report are consistent with those applied in Roblon’s annual report for 2018/19, which was prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies. For a more detailed description of the accounting policies, see the annual report for 2018/19.

Note 2 – Estimates

The preparation of interim reports requires Management to make accounting estimates that will affect the accounting policies and recognised assets, liabilities, income and costs. Actual results may differ from these estimates.

The most significant estimates made by Management in applying the Group’s accounting policies and the most significant uncertainties associated therewith in preparing the condensed interim report are identical to those applying to the preparation of the annual report for 2018/19.

Note 3 – Seasonality

The Group’s activities in the interim report have not been affected by seasonal or cyclical fluctuations.

Note 4 – Revenue

Roblon’s management reporting is based on one segment comprising the following product groups:

- FOC (comprising cable materials and cable machinery for the fibre optic cable industry)
- Composite (comprising composite materials for onshore and offshore industries)

DKKm	Q3 2019/20	Q3 2018/19	Q1-Q3 2019/20	Q1-Q3 2018/19	FY 2018/19
4. Revenue (continued)					
Revenue from external customers:					
By product groups					
FOC	42.9	38.1	120.5	103.7	147.8
Composite	19.9	22.7	84.3	69.3	119.4
Total	62.8	60.8	204.8	173.0	267.2
By geographical markets					
Denmark	0.6	0.7	3.3	2.6	3.4
United Kingdom	8.6	6.4	31.7	20.9	29.5
Portugal	-	-	-	25.9	-
Italy	6.1	6.5	22.5	11.1	20.7
Rest of Europe	8.1	10.0	21.7	30.3	68.1
Asia	5.1	7.0	14.7	16.6	23.5
Brazil	6.7	10.6	31.8	14.5	49.6
Latin America	1.8	4.3	12.7	13.4	16.4
USA	25.8	15.3	66.4	37.7	56.0
Total	62.8	60.8	204.8	173.0	267.2

Of the Group’s non-current assets, DKKm 62.8 (DKKm 56.2) were located in Denmark and DKKm 36.1 (DKKm 18.7) in the USA.

The Group’s revenue largely derived from the sale of goods.

Of the Group’s total revenue at the end of Q3 2019/20, DKKm 110.3 related to three major customers. Revenue from each of these customers thus account for more than 10% of the Group’s total revenue. In Q1-Q3 2018/19, revenue from one customer (DKKm 45.6) accounted for more than 10% of the Group’s total revenue.

Note 5 – Discontinued operations

DKKm	Q3 2019/20	Q3 2018/19	Q1-Q3 2019/20	Q1-Q3 2018/19	FY 2018/19
Consolidated income statement					
Other external costs	-	-	-3.0	-	-
Operating profit/loss	-	-	-3.0	-	-
Tax on profit/loss for the year	-	-	0.7	-	-
Operating profit/loss after tax	-	-	-2.3	-	-
Profit/loss for the period	-	-	-2.3	-	-

As part of the agreement to sell Roblon Lighting on 30 April 2017, the Group provided a loan of DKKm 2.6. Due to elevated repayment risk, Roblon has made a DKKm 3.0 loss provision for the full amount of the loan, including accrued interest.